



LOCAL HELP FOR PEOPLE WITH MEDICARE

SHIP is a free and impartial Medicare information and counseling program provided by the Indiana Department of Insurance.

August 3, 2020

Contact:

John Williams, SHIP Medicare Specialist
(765) 617-8668, johnwilliams.ship@gmail.com

SHIP/Medicare Column, December, 2019

Submitted by: Cheryl St. Clair, Executive Director for SHIP

To B or not to B, that is the Medicare question

A common question people ask as they get close to age 65 is, if I don't sign up for Medicare Part B medical insurance when I'm first eligible, can I sign up later?

The simple answer is yes; but the complete answer is, you have different Part B enrollment opportunities depending on your circumstances. For clarification, if you receive Social Security benefits at age 65, you'll be automatically enrolled in Medicare Part A hospital insurance and Part B medical insurance that starts the month you turn 65. In this situation, you can refuse Part B if you don't need it because you're covered by a large employer group health plan, based on your or your spouse's current work, that pays before Medicare pays. But if you aren't receiving Social Security benefits at age 65 and you want Medicare, you have a seven-month Initial Enrollment Period (IEP) to sign up for Part B if you want that coverage.

Although you can enroll in Part A at any time once you are age 65, if you don't enroll in Part B during your IEP, generally there are only two times you can sign up later depending on your situation; but you may have penalties if you sign up for Part B later.

General Enrollment Period (GEP) - This runs January 1 - March 31 each year. During this time, you can sign up for Part B at the Social Security Administration (SSA). Unfortunately, your Part B won't start until July 1 of the year you sign up and your monthly premiums will increase by 10 percent for each 12-month period you waited to enroll. You would have to pay this late enrollment premium penalty for as long as you have Part B.

Special Enrollment Period (SEP) - If you don't sign up for Part B during your IEP because you're covered by a large employer group health plan based on current employment from that employer (based on your or your spouse's work), you may be eligible to enroll in Part B without late enrollment penalties in a SEP. In this scenario, you can sign up for Part B while you or your spouse is actively working and you're covered by that employer's group health plan; or within eight months after the employment ends or the employer's group health insurance ends while you or your spouse's active employment continues. Let me reword that last part another way to make it easier to understand: In this situation, you would have eight months to sign up for Part B starting with the month after employment ends or starting with the month after the employer's group health plan ends while employment continues. In most cases, there's no late enrollment penalties if you sign up for Part B during a SEP.

Be aware, if you're not covered under a large employer group health plan based on current employment and you don't keep or sign up for Part B when you're first eligible, you would still be able to enroll during a GEP but likely would have late enrollment penalties.

For more information about enrolling in Medicare, feel free to contact the State Health Insurance Assistance Program (SHIP) at 800-772-1213 or www.medicare.in.gov. You may also contact SSA at 800-772-1213 or www.socialsecurity.gov.